

ORDINANCE
NO. 00620

amended by Ord. 1357

AN ORDINANCE relating to the policies of King County concerning the establishment and implementation of an effective and efficient budgeting and reporting system for all county activities; prescribing responsibilities in administering the system; and repealing King County Ordinance No. 00566.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

There is hereby adopted an ordinance which establishes policies to establish and administer an efficient and effective budgeting and reporting system for all activities of county government; to prescribe duties and powers of officials and agencies to achieve the necessary fiscal controls, to effectuate sound budget administration, and prescribe responsibilities for reporting of fiscal matters.

SECTION 1. TABLE OF CONTENTS

Page No.

I. Table of Contents

1

II. Purpose of the Ordinance

1

III. Budgeting System

1

IV. Reporting System

10

V. Constitutionality: Conflicts with Federal Law

11

VI. Repealing King County Ordinance 00566

11

SECTION 2. PURPOSE OF THE ORDINANCE. This ordinance is to

establish a fiscally sound budgeting and reporting system under which all county activities shall be administered, and to assure coordination exists between those persons and organizations who are responsible for the operation of the fiscal system. Policies and guidelines stated herein are conceived to assure that the most advanced budgeting and reporting techniques are used by the county for the present and the future.

SECTION 3. BUDGETING SYSTEM.

A. DEFINITIONS. The following terms as used in this ordinance

shall, unless the context clearly indicates otherwise, have the respective meanings herein set forth.

- 1 1. Agency. Every county office, officer, each institution, whether
2 educational, correctional or other, and every department, division, board
3 and commission, except as otherwise provided in this ordinance.
- 4 2. Allocation. A part of a lump sum appropriation which is designated for
5 expenditure by specific organization unit and/or specific purposes.
- 6 3. Allotment. A part of an appropriation which may be encumbered or
7 expended during an allotment period.
- 8 4. Allotment Period. A period of time less than a fiscal year in length during
9 which an allotment is effective.
- 10 5. Appropriations. An authorization granted by a legislative body to make
11 expenditures and to incur obligations for specific purposes.
- 12 6. Appropriation Ordinance. That ordinance which establishes the legal level
13 of appropriations for a fiscal year.
- 14 7. Budget. A proposed plan of expenditures for a given period or purpose
15 and the proposed means for financing these expenditures.
- 16 8. Budget Document. A formal, written, comprehensive financial program
17 presented by the County Executive to the Council.
- 18 9. Council. The County Council of King County.
- 19 10. Deficit. The excess of expenditures over revenues during an accounting
20 period, or an accumulation of such excesses over a period of years.
- 21 11. Expenditures. Where the accounts are kept on the accrual basis or the
22 modified accrual basis, the cost of goods delivered or services rendered,
23 whether paid or unpaid, including expenses, provisions for debt retire-
24 ment not reported as a liability of the fund from which retired, and capital
25 outlays. Where the accounts are kept on the cash basis, actual cash
26 disbursements for these purposes.
- 27 12. Fund. An independent fiscal and accounting entity with a self balancing
28 set of accounts recording cash and/or other resources together with
29 related liabilities, obligations, reserves, and equities which are
30 segregated for the purpose of carrying on specific activities or attaining
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- 1 certain objectives in accordance with special regulations, restrictions or
2 limitations.
- 3 13. Fund Balance. The excess of the assets of a fund over its liabilities and
4 reserves except in the case of funds subject to budgetary accounting where,
5 prior to the end of a fiscal period, it represents the excess of the fund
6 assets and estimated revenues for the period over its liabilities, reserves,
7 and appropriations for the period.
- 8 14. Lapse of Appropriation. An automatic termination of an appropriation.
- 9 15. Object of Expenditure. A grouping of expenditures on the basis of goods
10 and services purchased. (e.g., salary and wages).
- 11 16. Program. The definition of resources and efforts committed to satisfying
12 a public need. The extent to which the public need is satisfied is
13 measured by the effectiveness of the process in fulfilling the needs as
14 expressed in explicit objectives.
- 15 17. Project. A capital improvement project for purposes of inclusion in the
16 capital program is defined to include: Acquisition of sites, easements,
17 right of way or improvements thereon or appurtenances thereto,
18 construction and initial equipment, reconstruction, demolition or major
19 alteration of new or presently owned capital assets.
- 20 18. Public Need. Those public services found to be required to maintain the
21 health, safety, and well being of the general citizenry.
- 22 19. Regulations. The policies, standards and requirements, stated in writing,
23 designed to carry out the purposes of this ordinance, as issued by the
24 County Executive or his designated agent, and which shall have the force
25 and effect of law.
- 26 20. Reappropriation. Authorization granted by the Council to expend the
27 appropriation for the previous fiscal year for capital programs only.
- 28 21. Revenue. The addition to assets which does not increase any liability,
29 nor represent the recovery of an expenditure, nor the cancellation of
30 certain liabilities on a decrease in assets nor a contribution to fund capital
31 in enterprise and intragovernmental service funds.
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1 B. CONTENTS OF THE BUDGET. DOCUMENT. The budget documents
2 may be organized into parts which will include data specified in this ordinance.

3 1. The Budget. The County budget shall set forth the complete financial plan
4 for the ensuing fiscal year showing planned expenditures, and the sources
5 of revenue from which they are to be financed.

6 a. Revenues. The budget document shall include the following:

- 7 - Estimated revenue by fund and by source from taxation.
- 8 - Estimated revenues by fund and by source other than taxation.
- 9 - Actual receipts for first six months (January 1 - June 30) of the
10 current fiscal year.
- 11 - Actual receipts for the last completed fiscal year by fund and by
12 source.
- 13 - Estimated fund balance or deficit for current fiscal year by fund.
- 14 - And such additional information dealing with revenues as the County
15 Executive shall deem pertinent and useful to the County Council.

16 b. Expenditures. The budget document shall include the following:

- 17 - Tabulation of expenditures in a comparable form by fund, program
18 project, and/or object of expenditure for the ensuing fiscal year.
- 19 - Actual expenditures for the first six months (January 1 - June 30) of
20 the current year.
- 21 - Actual expenditures for the last completed fiscal year.
- 22 - The appropriation for the current year.
- 23 - And such additional information dealing with expenditures as the
24 County Executive shall deem pertinent and useful to the County Council.

25 c. Capital Improvement Program. The capital improvement program
26 of the budget may be included in a separate section within the budget. The
27 capital improvement section shall include:

- 28 - Estimated expenditures for at least the next six fiscal years by
29 program.
- 30 - Expenditures planned for current, pending, or proposed capital
31 projects during the fiscal year, classified according to proposed
32 source of funds whether from appropriation or issuance of bonds.

2. General.

a. Budget Message. The budget message shall explain the budget in fiscal terms and in terms of goals to be accomplished and shall relate the requested appropriation to the comprehensive plan of the county.

b. Proposed Estimates. The total proposed expenditures shall not be greater than the total proposed revenue PROVIDED, that this requirement shall not prevent the liquidation of any deficit existing on the effective date of this ordinance.

c. Budgeting Fund Balances. If the estimated revenues in the Current Expense, Special Revenue, or Debt Service Funds for the next ensuing fiscal period, together with the fund balance, for the current fiscal period exceeds the applicable appropriations proposed by the County Executive for the next ensuing fiscal period, the County Executive shall include in the budget document his recommendations for the use of said excess for the reduction of indebtedness, for the reduction of taxation or for other purposes as in his discretion shall serve the best interests of the County.

d. Anticipated Deficits. If, for any applicable fund, the estimated revenues for the next ensuing period plus fund balance shall be less than the aggregate of appropriations proposed by the County Executive for the next ensuing fiscal period, the County Executive shall include in the budget document his proposals as to the manner in which the anticipated deficit shall be met, whether by an increase in the indebtedness of the County, by imposition of new taxes, by increase of tax rate or in any like manner.

amended by 1359
(3.) Supporting Data. Justification for revenues and expenditures shall be presented in detail when necessary to explain changes of established practices, unique fiscal practices and new sources of revenue or expenditure patterns, or any data the County Executive deems useful to support the budget. The following are included:

- Inclusion of non-budgeted departments and programs expenditures and revenues, i. e., Intragovernmental Service Funds.

- Inclusion of agency workload information effective for the 1972 budget document and thereafter.
- Inclusion of brief explanation of programs, purpose and scope of agency activities for the 1972 budget document and thereafter.
- Capital improvement program data for the 1972 budget document and thereafter shall include:
 - A statement of purpose and estimated total cost for each project (for which expenditures are planned during the ensuing fiscal year).
 - Original estimated cost of the project.
 - An enumeration of revised project cost estimates.
 - Funds actually expended for the project as of June 30 of current year.
 - Funds previously authorized for the project.
- Inclusion of other data which the County Executive deems necessary which may include objects of expenditure and other expenditures categories.

C. PREPARATION AND ADMINISTRATION OF THE BUDGET.

1. Preparation and Distribution. The County Council and County Executive or his designee shall execute the responsibilities outlined below in order to accomplish the preparation and distribution of the County Budget and Budget Document.

a. Role of the County Executive

1) Submission of Agency Requests. At least one hundred thirty-five (135) days prior to the end of the fiscal year, all agencies of county government shall submit to the County Executive information necessary to prepare the budget. The County Executive shall prepare a procedure by which the County Auditor may have access to or can obtain copies of agency submitted requests.

1 2) Executive Budget Hearings. Prior to presentation to the
2 County Council, the County Executive may provide for hearings
3 on all agency requests for expenditures and revenues to enable him
4 to make determinations as to the need, value or usefulness of
5 activities or programs requested by agencies. The County Executive
6 may require the attendance of proper agency officials at his
7 hearings, and it shall be their duty to disclose such information
8 as may be required to enable the County Executive to arrive at
9 his final determination.

10 3) Submission of Executive Budget. The County Executive shall
11 prepare and present an annual budget and budget message to the
12 Council no later than seventy-five (75) days prior to the end of the
13 fiscal year. Copies of the budget and budget message shall be
14 delivered to the clerk and each councilman.

15 4) Submission of Proposed Appropriation Ordinance. The County
16 Executive shall prepare and present a proposed appropriation
17 ordinance not later than seventy-five (75) days prior to end of the
18 fiscal year. The proposed appropriation ordinance shall specify by
19 fund, program, project and/or agency the expenditures levels for
20 the ensuing budget year.

21 5) Availability to the Public. Prior to the public hearing on the
22 budget, the budget message and supporting tables shall be furnished
23 to any interested person upon request, and copies of the budget
24 shall be furnished for a reasonable fee as established by ordinance
25 and shall be available for public inspection.

26 b. Role of the County Council.

27 1) Review of the Executive Budget. The Council shall review the
28 proposed appropriation ordinance and shall make any changes or
29 additions it deems necessary except the Council shall not change the
30 form of the proposed appropriation ordinance submitted by the
31 County Executive.
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1 2) Legislative Budget Hearings. The County Council shall then
2 announce and subsequently hold a public hearing or hearings as it
3 deems necessary.

4 3) Appropriation. Upon completion of the budget hearings the
5 County Council shall by ordinance adopt an appropriation granting
6 authority to make expenditures and to incur obligations, and the
7 Council may attach an accompanying statement specifying legislative
8 intent.

9 c. Printing and Distribution of the Budget. The Office of Budgets and
10 Accounts shall be responsible for the printing and distribution of the
11 executive and final adopted budget.

12 2. Administration of the Budget.

13 a. Allotment and Work Program.

14 1) Establishment of Allotments. Within 30 days after adoption of
15 the appropriation ordinance all agencies shall submit to the County
16 Executive a statement of proposed agency expenditures at such times
17 and in such form as may be required by him, PROVIDED that the
18 County Council is not required to submit an allotment. The statement
19 of proposed expenditures shall include requested allotments of
20 appropriations for the ensuing fiscal period for the department con-
21 cerned by either program, project, object of expenditure or
22 combination thereof and for such periods as may be specified by the
23 County Executive or his designee. The County Executive shall
24 review the requested allotments in light of the agency's plan of work,
25 and he may revise or alter agency allotments. The aggregate of the
26 allotments for any agency shall not exceed the total of appropriations
27 available to the agency concerned for the fiscal period.

28 2) Revision of Allotments. If at any time during the fiscal period
29 the County Executive shall ascertain that available revenues for the
30 applicable period will be less than the respective appropriations, he
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1 shall revise the allotments of agencies funded from such revenue
2 sources to prevent the making of expenditures in excess of revenues.
3 To the same end, the County Executive is authorized to assign to,
4 and to remove from, a reserve status any portion of an agency
5 appropriation which in the County Executive's discretion is not needed
6 for the allotment. No expenditures shall be made from any portion of
7 an appropriation which has been assigned to a reserve status except
8 as provided in this section.

9 b. Review of Pay and Classification Plans. The County Executive or
10 his designee shall periodically review any pay and classification plans,
11 and changes thereunder for fiscal impact, and shall recommend to the
12 Council any changes to such plans PROVIDED, That none of the provisions
13 of this subsection shall affect merit systems of personnel management
14 now existing or hereafter established by ordinance relating to the fixing of
15 qualification requirements for recruitment, appointment, promotion, or
16 reclassification of employees of any agency.

17 c. Transfer of Appropriations between Agencies. During the last
18 quarter of the fiscal year, the County Council when requested by the
19 County Executive may adopt an ordinance to transfer appropriations
20 between agencies of county government; but a capital project shall not
21 be abandoned thereby unless its abandonment is recommended by the
22 Executive Department responsible for planning.

23 d. Lapsing of Appropriation. Unless otherwise provided in the
24 appropriation ordinances, all appropriation shall lapse at the end of the
25 fiscal year to the extent that they have not been expended or lawfully
26 obligated. Any remaining unexpended and unobligated balance of
27 appropriations shall revert to the fund from which the appropriation was
28 made. An appropriation in the capital budget appropriation shall lapse
29 when the project has been completed or abandoned or when no
30 expenditure or encumbrance has been made for three years.

e. When Contracts and Expenditures Prohibited. No agency shall expend or contract to expend any money or incur any liability in excess of the amounts appropriated. Any contract made in violation of this section shall be null and void; any officer, agent, or employee of the County knowingly responsible under such a contract shall be personally liable to anyone damaged by this action. The County Council when requested to do so by the County Executive may adopt an ordinance permitting the County to enter into contracts requiring the payment of funds from appropriations of subsequent fiscal years, but real property shall not be leased to the County for more than one year unless it is included in a capital appropriation ordinance; PROVIDED, that nothing in this section shall prevent the making of contracts or the spending of money for capital improvements, nor the making of contracts of lease or for service for a period exceeding the fiscal period in which such contract is made, when such contract is permitted by law.

SECTION 4. REPORTING SYSTEM. The following terms as used in this ordinance shall, unless the context clearly indicates otherwise, have the respective meanings herein set forth.

A. DEFINITIONS

1. Management Audit. A review of the management practices and procedures used in an agency.
2. Post-Audit. An audit made after the transactions to be audited have taken place and have been recorded or have been approved for recording by designated officials, where required.

B. TYPES OF REPORTS REGULARLY AVAILABLE.

1. County Annual Report. The County Executive shall annually cause to be prepared and published a comprehensive financial report covering all funds and financial transactions of the county during the preceding fiscal year.

- 1 2. Management Fiscal Reports. The County Auditor shall periodically
2 prepare and publish the results of examinations performed by his office
3 of the effectiveness and efficiency of the operation of County agencies.
- 4 3. Annual Post Audit Report. The Office of the State Auditor, Division of
5 Municipal Corporations, annually issues the results of their examination
6 of the financial affairs and transactions of the County.

7 C. OTHER REPORTS. County agencies shall prepare other reports
8 when requested by motion of the Council and concurred in by the County
9 Executive.

10 SECTION 5. CONSTITUTIONALITY: CONFLICTS WITH FEDERAL LAW.

11 A. CONSTITUTIONALITY. If any section, sub-section, paragraph,
12 sentence, clause, or phrase of this ordinance is for any reason held to be
13 invalid or unconstitutional, such invalidity or unconstitutionality shall not affect
14 the validity or constitutionality of the remaining portions of this ordinance, it
15 being herein expressly declared that this ordinance and each section, sub-
16 section, paragraph, sentence, clause, and phrase thereof would have been
17 adopted irrespective of the fact that any one or more other sections, sub-
18 sections, paragraphs, sentences, clauses, or phrases be declared invalid or
19 unconstitutional.

20 B. FEDERAL LAW CONTROLS IN CASE OF CONFLICT - RULES. If
21 any part of this ordinance shall be found to be in conflict with federal require-
22 ments which are a prescribed condition to the allocation of federal funds to the
23 County, such conflicting part of this ordinance is hereby declared to be
24 inoperative solely to the extent of such conflict and with respect to the agencies
25 directly affected, and such finding or determination shall not affect the operation
26 of the remainder of this ordinance in its application to the agencies concerned.
27 The rules and regulations under this ordinance shall meet federal requirements
28 which are a necessary condition to the receipt of federal funds by the County.

29 SECTION 6. REPEALING KING COUNTY ORDINANCE 00566. King
30 County Ordinance 00566 is repealed.

1 PASSED this 26th day of October, 1970.

2
3 Bill Kearns

4 Chairman, King County Council

5 ATTEST:

6 Ray Olsen
7 Clerk of the Council

8 ACTING

9 APPROVED this 5th day of November, 1970.

10
11 John D. Spellman
12 John D. Spellman, King County Executive

13
14 ORDINANCE READINGS

15 1st 10-13-70

16 2nd 10-26-70

17 3rd 10-26-70

18 Effective Date